



To: All Legislators
From: Michael Theo and Rick Chandler
Re: Housing Information Legislation (AB 900 and SB 549)
Date: March 4, 2008

The Wisconsin Realtors Association (WRA) urges you to support Assembly Bill 900 and Senate Bill 549, legislation clarifying what information the Department of Revenue (DOR) can and cannot disclose regarding real estate transactions in Wisconsin. This legislation specifically protects social security and telephone numbers contained on the real estate transfer returns, while explicitly authorizing the continued release of important transactional information that is vital to appraisers, lenders and Realtors regarding the fair market value of property in Wisconsin.

Background

- The DOR has concluded that it does not have clear statutory authority to continue compiling and releasing certain information from real estate transfer returns. This information had been compiled and sold by the DOR for many years. While this information has been and continues to be public information from other multiple sources, it is no longer being released to the public by the DOR.
- This legislation is necessary for three reasons:
 - This information is essential to enable appraisers and Realtors to fulfill their professional responsibilities to competently and efficiently analyze the fair market value of properties when advising clients and negotiating sales.
 - The DOR is seeking specific authorization to continue releasing this information, while reaffirming the current practice to protect from public disclosure social security and telephone numbers of parties to a transaction.
 - The DOR would also like to make the processing of real estate transfer returns more efficient and accurate for all parties by requiring that the returns be filed electronically.

Legislation deserves support

We support the DOR in this effort for the following reasons:

- The DOR needs clear authority to compile and release to the public all information obtained from real estate transfer returns except for social security numbers and telephone numbers. Without this information, appraisers and real estate licensees are unable to efficiently determine the fair market value of properties and thus cannot fulfill their professional responsibilities to their customers and clients. While this information is generally available from multiple other sources, having the DOR continue to compile this information creates substantial efficiency and accuracy in the marketplace.

- Given recent unintended disclosures of personal information, the statutes should specify that none of the parties who have access to real estate transfer returns under current law are authorized to release the social security numbers and telephone numbers from the returns.
- Requiring real estate transfer returns to be filed electronically effective July 1, 2009, will reduce costs and improve data accuracy.

We respectfully ask that you support AB 900 and SB 549. If you have questions or seek additional information, please feel free to contact us.

- Michael Theo, Vice President for Legal and Public Affairs
(608) 241-2047 or mtheo@wra.org
- Kevin King, General Counsel
(608) 241-2047 or kking@wra.org
- Rick Chandler, Chandler Consulting, LLC
(608) 628-0433 or rgcwis@charter.net



State of Wisconsin • DEPARTMENT OF REVENUE

2135 RIMROCK RD. • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933
PHONE (608) 266-6466 • FAX (608) 266-5718 • <http://www.revenue.wi.gov>

Jim Doyle
Governor

Roger M. Ervin
Secretary of Revenue

Senate Judiciary, Corrections and Housing Committee Hearing, March 4, 2008

SB 549 – Regarding the Confidentiality and Electronic Filing of Real Estate Transfer Returns – Senator Hansen

Description of Current Law and Proposed Change

Under current law, real estate transfer returns can be filed either on paper or electronically. The Department of Revenue (DOR) is required to share information on the returns with local assessors, some other local officials, and other state agencies. DOR also is permitted to sell the information contained on the real estate transfer returns, the revenue from which flows to the general fund.

Under the bill, beginning on July 1, 2009, real estate transfer return must be filed electronically. While DOR will still be required to share the information on the returns with local assessors, some other local officials, and other state agencies, these persons and agencies will be required to maintain the confidentiality of grantor and grantee social security numbers and telephone numbers.

The bill grants DOR the explicit authority to make available to the public free of charge all information from real estate transfer returns except social security numbers and telephone numbers. DOR will no longer be permitted to sell the information contained on the real estate transfer returns.

Fairness/Tax Equity

- The bill will enhance the security of sensitive information on the real estate transfer return. Property sellers and buyers have a right to expect that their telephone numbers and especially their social security numbers be protected. Requiring the officials with whom DOR shares real estate transfer return data to maintain the confidentiality of this information will greatly assist in this endeavor.
- Compared with a paper filing, electronic filing via secure data lines will prevent unwarranted access to social security numbers and telephone numbers, thereby enhancing the privacy of the information on these returns. Electronic filing means the return information will be a secure environment from the moment it is entered.
- In addition, when electronically filed returns are received by DOR, social security numbers are removed and stored on a separate server that only DOR staff can access.
- The bill will make additional data from the real estate transfer return available to the public. This will improve public access and will likely improve both academic and market research that relies on real estate sales data. It has been argued that this data, stripped of sensitive information, should be more widely available, and without fees. DOR proceeds from the sale of the real estate transfer fee data have been minimal in the past several years.

- By allowing the manner of electronic filing to be prescribed by the Department of Revenue, flexibility to address specific circumstances will be provided. Cases where e-filing presents a hardship can thus be addressed.
- Electronic returns are already being submitted from all 72 counties (with the percentage of electronic filings by county ranging from about 12% to over 70%).

Impact on Economic Development

- The bill has no impact on economic development.

Administrative Impact/Fiscal Effect

- Only 35% of real estate transfer returns are currently filed electronically. While paper returns are scanned, scanning errors reduce the ability of both state and local governments to efficiently utilize return information. The bill will avoid scanning errors.
- Since the allowable disclosures of return information under the bill are already permitted under current law, the bill secures privacy in these existing uses. It does not broaden access to sensitive data. In addition to allowing DOR to make real estate transfer return data available to the public, the bill (s. 77.265) grants access to real estate transfer return data to the following:
 - Local assessors
 - Counties
 - Local elected officials
 - Proceedings involving subpoena or court order
 - Department of Workforce Development
 - Department of Revenue and county real property listers
 - Government agencies acquiring property or administering taxes
 - Property owners and their agents in condemnation or appeal proceedings
- The bill is expected to have minimal fiscal impact.

DOR Position

- The Department supports the bill as a means to enhance both privacy and efficiency.
- To provide parallel explicit privacy requirements under all of the allowable disclosures of real estate transfer fee information, a technical modification to the bill could be made to extend the confidentiality provision for grantor and grantee social security numbers and telephone numbers to returns that may be used in proceedings involving the requisite amount of the fee.
- To further strengthen the bill, penalties on local assessors, state agencies, or other officials that fail to maintain confidentiality of social security numbers and telephone numbers could be considered.

Contact: Sherrie Gates-Hendrix, (608) 267-1262

DH:kg

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Jim Doyle
Governor

Roger M. Ervin
Secretary of Revenue

DATE: March 3, 2008
TO: Representative Steve Wieckert
FROM: Roger M. Ervin
SUBJECT: AB 900 – Real Estate Transfer Returns

At the February 21, 2008 hearing on AB 900 before the Assembly Committee on Housing, we heard concerns regarding the ability of some individuals to file the Real Estate Transfer Return (RETR) electronically. I assured the Committee that we would have a method for individuals to request a waiver from the electronic filing requirements.

Accordingly, I support the amendment to AB 900 which provides: "The secretary may waive the requirement to file electronically if the secretary determines, based on a written application for a waiver, that the requirement causes undue hardship." The Department of Revenue will develop the application for waiver and will distribute the application to all Register of Deed offices. The applications will also be available on the Department's web site. The application will be able to be mailed, faxed or electronically transmitted to the department. If the waiver is granted, a paper RETR will be mailed to the requester, along with the notification of waiver being granted.

Thank you for your continued support of these important issues regarding the RETR.

**Testimony of State Representative
Steve Wieckert**

Senate Bill 549 – Housing Information Act
*Senate Committee on Judiciary, Corrections, and
Housing*
Room 411 South – March 4, 2008

Thank you Chairperson Taylor and members of the committee for holding a hearing on SB 549, the Housing Information Act.

Recently, there have been some unintended mistakes made by a Wisconsin Agency where by social security numbers were printed in such a way that they were visible on the outside of envelopes sent to Wisconsin citizens.

This legislation will help to better protect social security numbers, will encourage electronic filing of real estate transfer forms, and still preserve the specific information needed for real estate appraisers around the state to do their job professionally and accurately.

This legislation has been drafted with the cooperation and the encouragement of the Department of Revenue.

This legislation is supported by:

- The Wisconsin Department Revenue
- Wisconsin Realtors Association
- Wisconsin Newspaper Association

Thank you. At this time I would be happy to answer any questions the committee may have.



Wisconsin REALTORS® Association
4801 Forest Run Rd, Suite 201
Madison, WI 53704-7337
608-241-2047 * 800-279-1972
Fax: 608-241-2901
E-mail: wra@wra.org
Web site: www.wra.org

Michael Spranger, ABR, CRS, GRI Chairman
E-Mail: sprangerm@firstweber.com

William Malkasian, CAE, President
E-mail: wem@wra.org

To: All Legislators
From: Michael Theo, Vice President for Legal and Public Affairs
Re: Housing Information Legislation (LRB-4097)
Date: February 21, 2008

The Wisconsin Realtors Association (WRA) encourages your co-sponsorship and active support of LRB 4097, legislation clarifying what information the Department of Revenue (DOR) can and cannot disclose regarding real estate transactions in Wisconsin. This legislation specifically protects social security and telephone numbers contained on the real estate transfer returns, while explicitly authorizing the continued release of important transactional information that is vital to appraisers, lenders and Realtors regarding fair market value of property in Wisconsin.

Background

- The DOR has concluded that it does not have clear statutory authority to continue compiling and releasing certain information from the real estate transfer returns. This information however had been compiled and sold by DOR for many years. While this information has been and continues to be public information from other multiple sources, it is no longer being released to the public by the DOR.
- This legislation is necessary for three reasons:
 - This information is essential to enable appraisers and Realtors to fulfill their professional responsibilities to competently and efficiently analyze the fair market value of properties when advising clients and negotiating sales.
 - The DOR is seeking specific authorization to continue releasing this information, while reaffirming the current practice to protect from public disclosure, social security and telephone numbers of parties to a transaction.
 - DOR would also like to make the processing of real estate transfer returns more efficient and accurate for all parties by requiring that the returns be filed electronically.

Legislation deserves support

We support the DOR in this effort for the following reasons:

- The DOR needs clear authority to compile and release to the public all information obtained from real estate transfer returns except for Social Security numbers and telephone numbers. Without this information, appraisers and real estate licensees are unable to efficiently determine the fair market value of properties and thus cannot fulfill their professional responsibilities to their customers and clients. While this information is generally available from multiple other sources, having the DOR continue to compile this information creates substantial efficiency and accuracy in the marketplace. This legislation leaves in place the existing statutory authority for the DOR to sell this data to cover the cost of compiling it.

- Given recent unintended disclosures of personal information by various state agencies, the statutes should specify that none of the parties who have access to
- real estate transfer returns under current law are authorized to release the Social Security numbers and telephone numbers from the returns.
- Requiring real estate transfer returns to be filed electronically effective July 1, 2009, will reduce costs and improve data accuracy.

We respectfully ask that you cosponsor and actively support LRB 4097. If you have questions or seek additional information, please feel free to contact us.

- Michael Theo, Vice President for Legal and Public Affairs
(608) 241-2047 or mtheo@wra.org
- Kevin King, General Counsel
(608) 241-2047 or kking@wra.org
- Rick Chandler, Chandler Consulting, LLC
(608) 628-0433 or rgcwis@charter.net



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Jim Doyle
Governor

Roger M. Ervin
Secretary of Revenue

Assembly Committee on Housing Hearing, February 21, 2008

LRB 4097/1 – Regarding the Confidentiality and Electronic Filing of Real Estate Transfer Returns -- Representative Wieckert

Description of Current Law and Proposed Change

Under current law, real estate transfer returns can be filed either on paper or electronically. The Department of Revenue (DOR) is required to share information on the returns with local assessors, some other local officials, and other state agencies. DOR also is permitted to sell the information contained on the real estate transfer returns, the revenue from which flows to the general fund.

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The bill grants DOR the explicit authority to make available to the public free of charge all information from real estate transfer returns except social security numbers and telephone numbers. DOR will no longer be permitted to sell the information contained on the real estate transfer returns.

Fairness/Tax Equity

- The bill will enhance the security of sensitive information on the real estate transfer return. Property sellers and buyers have a right to expect that their telephone numbers and especially their social security numbers be protected. Requiring the officials with whom DOR shares real estate transfer return data to maintain the confidentiality of this information will greatly assist in this endeavor.
- Compared with a paper filing, electronic filing via secure data lines will prevent unwarranted access to social security numbers and telephone numbers, thereby enhancing the privacy of the information on these returns. Electronic filing means the return information will be a secure environment from the moment it is entered.
- In addition, when electronically filed returns are received by DOR, social security numbers are removed and stored on a separate server that only DOR staff can access.
- The bill will make additional data from the real estate transfer return available to the public. This will improve public access and will likely improve both academic and market research that relies on real estate sales data. It has been argued that this data, stripped of sensitive information, should be more widely available, and without fees. DOR proceeds from the sale of the real estate transfer fee data have been minimal in the past several years.

- By allowing the manner of electronic filing to be prescribed by the Department of Revenue, flexibility to address specific circumstances will be provided. Cases where e-filing presents a hardship can thus be addressed.
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 - Local assessors
 - Counties
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DOR Position

- The Department supports the bill as a means to enhance both privacy and efficiency.
- To provide parallel explicit privacy requirements under all of the allowable disclosures of real estate transfer fee information, a technical modification to the bill could be made to extend the confidentiality provision for grantor and grantee social security numbers and telephone numbers to returns that may be used in proceedings involving the requisite amount of the fee.
- To further strengthen the bill, penalties on local assessors, state agencies, or other officials that fail to maintain confidentiality of social security numbers and telephone numbers could be considered.

Contact: Sherrie Gates-Hendrix, (608) 267-1262



MEMO

WISCONSIN NEWSPAPER ASSOCIATION

...world's oldest press association, established 1853.

February 29, 2008

Peter D. Fox
Executive Director
3822 Mineral Point Road
Madison, WI 53705
(608) 238-7171

To: All Legislators

Re: Real estate transfer returns

The Wisconsin Newspaper Association encourages your co-sponsorship and support of LR 4097/2 which provides direction to the Wisconsin Department of Revenue delineating information contained in real estate transfer returns which is publicly available to Wisconsin citizens and specifically which information – Social Security account numbers and telephone numbers – which must be kept confidential for personal security reasons.

WNA joins the Wisconsin Realtors® Association in recognizing that WDOR needs clear authority to compile and release to the public all information obtained from real estate transfer returns except for Social Security account numbers and telephone numbers.

We appreciate the leadership of WDOR Secretary Roger Ervin in developing this proposal and in his observation that, "The bill will enhance the security of sensitive information on the real estate return" while making other important data available to the public. He noted: "This will improve public access and will likely improve both academic and market research that relies on real estate sales data."

Please contact either me at (608) 238-7171 or Pete Christianson at (608) 283-2492 if you have questions or need additional information.

Thank you.

CHAIR:
Energy and Utilities Committee

MEMBER:
Higher Education and Tourism
Joint Committee on Audit
State Building Commission



ROBERT L. COWLES

Wisconsin State Senator • 2nd Senate District

TO: Chairperson Taylor and Members, Senate Judiciary, Corrections, and
Housing Committee

FROM: Senator Robert Cowles

DATE: March 4, 2008

RE: Senate Bill 549, relating to the confidentiality and electronic filing of real
estate transfer returns.

I would like to express my strong support for Senate Bill 549, relating to the
confidentiality and electronic filing of real estate transfer returns.

Last year the Department of Revenue determined that they didn't have the clear authority
to continue compiling and releasing specific information included on real estate transfer
returns. Prior to this determination the information had been readily available and sold by
the Department. Additionally, even though this information has been and continues to be
public from other sources, it is no longer being released to the public by the Department.

Senate Bill 549 simply clarifies what information the Department can and cannot disclose
regarding real estate transactions in Wisconsin. Senate Bill 549 specifically protects
social security and telephone numbers contained on the real estate transfer returns. The
bill authorizes the release of important information that is vital to appraisers, lenders and
Realtors regarding the fair market value of property in Wisconsin.

This legislation was drafted with input from the Department of Revenue, and individuals
representing the real estate industry.

I'd appreciate your support of this important legislation.